

1.4 GROW-OUT.

A. Grower agrees to properly maintain the Facility, and to provide all labor and supervision to raise Owner's pigs, to load and unload pigs at Grower's facilities, and to provide necessary water, electricity, bedding, and to clean pens all in accordance with instructions which may be given to Grower from time to time by Owner. All pens shall be cleaned between groups of pigs. Grower will rear the pigs placed by Owner with all modern husbandry practices and shall follow all directions provided by Owner for their rearing and care. If, in the opinion of Owner, Grower, is not rearing Owner's pigs in accordance with modern husbandry practices or in accordance with Owner's directions, Owner shall have the right to obtain outside management and labor to properly rear Owner's pigs and to charge \$3,840.00 per year per 41' x 231' building for that additional management and labor service. This charge shall be deducted monthly at the rate of \$320.00 per month per building from the Grow-Out charge payable by Owner to Grower as specified in paragraph 1.5 of this Agreement.

B. Owner will pay for the feed, transportation of all pigs to and from Grower's facilities and for the cost of reasonable veterinary service and medications but no veterinary service shall be engaged and no medication administered without the prior notification and consent of Owner. Owner shall provide, at it's own expense, all animal health products used on Owner's pigs, provided, however, that consumables such as needles, syringes, marking chalk and the like shall be furnished by Grower. Any veterinary service used by Grower shall be one which is approved by Owner. Owner or Owner's exclusive agent will perform all marketing functions involving Owner's pigs. Sufficient amounts of feed shall be available at all times but excessive amounts of feed shall not be stored on the premises.

C. Owner or Owner's exclusive agent's personnel shall have the right to enter the Grower's premises to inspect the pigs at all reasonable times and Owner or Owner's exclusive agent, upon prior notice to Grower, shall have the right to enter and remove Owner's pigs at any time.

D. Grower shall rear the pigs placed by Owner and shall obtain standard form liability insurance coverage for bodily injury and property damage. Owner will provide adequate fire and wind insurance on these pigs.

E. On the last day of each month, Grower shall take an inventory of all hogs belonging to Owner in Grower's possession by actually counting the hogs in Grower's possession. A report of such inventory shall be furnished to Owner or Owner's designated manager in writing not later than the third day of the following month, and shall report the number of hogs on hand.

F. Any hogs not accounted for based on inventories and death loss reports or miscounts at packer shall be submitted to Owner at the conclusion of grow-out period; those missing will be priced at market price.

(Example: $\$.49 \times 230 \text{ lbs.} = \112.70)

This amount times the number of hogs not accounted for will be deducted from the final payment to Grower.